

INITIAL PROFESSIONAL EMPLOYER ORGANIZATION APPLICATION FOR LICENSURE MONTANA



The application fee is:

_____ \$750.00 Unrestricted license

_____ \$500.00 Restricted license

Fees Payable To: Department of Labor and Industry
Employment Relations Division

Mailing Address: PO Box 8011, Helena MT 59624-8011

Street Address: 1805 Prospect Avenue, Helena MT 59601

Contact Person: Brett Wall, Program Manager

Phone : (406) 444-0776

Email : brwall@mt.gov

Web Address : <http://erd.dli.mt.gov/work-comp-regulations/professional-employer-organizations>

Important Information
(Must be completed)

FEIN(s): _____ Applicant Entity(s) to include Montana a/b/n or d/b/a:

Street and Mailing Address: _____

Branch Offices _____ Yes _____ No (If yes, attach listing of all branch locations, street addresses and phone numbers)

Contact Person(s): _____

Business Phone # _____ Email(s): _____

State Unemployment Tax Account(s) (SUTA): _____

Workers' Compensation Policy Number(s): _____

Effective Date(s): _____

Name of Insurer: _____

Insurer Address: _____

Insurer Contact Phone/Email: _____

Montana In-State Claims Examiner: _____

BENEFITS PROGRAMS: A professional employer organization or group shall disclose to the department, to each client, and to its employees information on any health or life fringe benefit program provided for its employees.

Are benefits provided _____ Yes _____ No

If yes, please complete the following information or submit as an attachment:

Type of benefits: _____

Identity of each Insurer providing coverage: _____

Amount of benefits for each type of coverage: _____

Policy limits on each insurance policy: _____

Whether coverage is fully insured, partially insured or fully self-funded: _____

PROFESSIONAL EMPLOYER ORGANIZATION OR GROUP

LICENSE APPLICATION in MONTANA

The Department desires to provide courteous and timely service to all applicants. In order to maximize efficiency, the Department will process **complete applications only**. Please read the instructions carefully to ensure proper completion of the application. In order to become licensed, you must submit a completed application, which includes all necessary supporting documents and a **non-refundable** application fee. The application fee is \$750 for a resident or nonresident unrestricted license, or \$500 for a restricted license.

Application: Failure to supply necessary information may result in delay of approval or denial of your application. An applicant is ineligible to reapply for a license for 1 year following final department action denying the issuance of or renewal of a license.

Basic Qualifications:

An individual applicant must be at least 18 years of age.

The applicant and each controlling person must be of good moral character, have business integrity, and be financially responsible. A "controlling person" means an individual who possesses the right to direct the management or policies of a professional employer organization or group through ownership of voting securities, by contract or otherwise.

Ability to maintain a positive working capital.

Nonresidents who want to apply for an unrestricted license must also be licensed by the state of domicile if PEO or group licensing is required in that state.

Resident or nonresident unrestricted license applicants must show a tangible accounting net worth of at least \$50,000. If an applicant is unable to meet the \$50,000 net worth requirement, the applicant shall provide to the department a surety bond, a letter of credit, or marketable securities acceptable to the department in an amount of not less than \$50,000 to cover the deficiency.

Restricted licenses for PEOs or groups residing in another state may be issued if:

- the applicant's state of residence licenses PEO's and the applicant is licensed and in good standing, and that state grants a similar privilege for restricted licensing;
- applicant does not maintain an office, sales force, or a sales representative in Montana and does not solicit clients who are residents of or domiciled in Montana; and
- applicant does not have more than 100 leased employees working in Montana.

WORKER'S COMPENSATION REQUIREMENT: All operations of a client, whether or not all or a portion of the client's operations are subject to a professional employer arrangement or employee leasing arrangement, must be insured by the same insurer. The workers' compensation insurer is required to report to the workers' compensation advisory or rating organization, all data by client including payroll by classification and liabilities for each client during the term of the policy. The insurer is required to audit policies issued to a PEO within 90 days of the policy effective date and may conduct quarterly audits thereafter.

Please submit each of the following documents and use this checklist for reference:

____ Financial Statements-Pursuant to 39-8-202 (6)(a) Montana Code Annotated (MCA), Except for an applicant who is granted a restricted license under subsection (9), an applicant shall maintain a tangible accounting net worth of not less than \$50,000, evidenced by: (i) providing financial statements that have been independently **audited** by a certified public accountant in accordance with generally accepted accounting principles; **or** (ii) providing independently **compiled** financial statements **and a \$100,000 security deposit** in a form that is acceptable to the department. 39-8-202 (7) MCA, The applicant shall maintain a positive working capital, as evidenced by financial statements

____ Attestation of Financial Statement (reference 39-8-202 (6)(c)(ii) MCA)

____ File required documents with MT Secretary of State (reference 39-8-202 (4) (b)-(d) MCA)
Business Services Bureau (406) 444-3665 for questions and/or complete appropriate forms found on website.
<http://sos.mt.gov/Business/Forms/>

____ MT Identification Number (Withholding Tax) (reference 39-8-207 (4)(a) MCA) contact: MT Department of Revenue (406) 444-6900 for questions, use their website to register online or print a form.
<https://tap.dor.mt.gov/#1>

____ State Unemployment Tax Account (SUTA) (reference 39-8-207 (4)(b) MCA) contact: MT Department of Labor and Industry/Unemployment Insurance 1-800-550-1513 for questions and/or use this website to register or print a form.
<http://uid.dli.mt.gov/tax/uitaxforms.asp>

____ Independent CPA quarterly submissions demonstrating all payroll-related taxes have been paid.
(reference 39-8-207 (2)(b) MCA)

____ Proof of workers' compensation for each client company. If no clients, provide MT endorsed master policy.
(reference 39-8-207 (4)(c) MCA)

____ PEO Ownership Information form (reference 39-8-202 (4) MCA)

____ PEO Group Guaranty form (reference 39-8-202 (4)(e) MCA)

____ List of Branch Offices (reference 39-8-202 (5)(a)(i) MCA)

____ Business Operational History (reference 39-8-202 (5)(a)(ii) MCA)

____ Applicant Authorization for Release of Information form (reference 39-8-202 (5)(a)(iii) MCA)

____ Declaration of Accuracy form (reference 39-8-202 (5)(a)(iii) MCA)

____ Client Contract Agreement (reference 39-8-207 (1) MCA)

____ Employee Disclosure (reference 39-8-207 (2)(a) MCA)

____ State of Montana Professional Employer Organization Client Initiation or Termination Form

____ Benefit Program Information (reference 39-8-207 (6) MCA) Summary of Benefits is sufficient

Control Persons (reference 39-8-102 (3) & 39-8-202 (5)(b)(c) MCA)

____ Applicant/Controlling Person(s) Information form (must complete for each person)

____ Applicant/Controlling Person Questionnaire form (must complete for each person)

____ Controlling Person Authorization for Release of Information form (must complete for each person)

____ Character Reference Affidavit form (must be notarized and completed for each person)

____ Complete a FBI fingerprint card for each control person (request cards from the Department of Labor/ERD).

____ Remittance in the amount of \$27.25 payable to: Montana Criminal Records for each set of fingerprint cards.

**STATE OF MONTANA
PROFESSIONAL EMPLOYER ORGANIZATION
CLIENT INITIATION OR TERMINATION FORM**

39-8-207 (2)(e) Montana Code Annotated, states the professional employer organization or group shall: notify the department in writing within 20 days after a client either commences or terminates a professional employer arrangement or an employee leasing arrangement with that professional employer organization or group.

Please furnish a copy of this completed form:

Email: brwall@mt.gov

Fax: 406-444-7710

Mail: State of Montana

Department of Labor & Industry

Employment Relations Division

Attn: Brett Wall

PO Box 8011, Helena MT 59624-8011

1805 Prospect Avenue, Helena MT 59601

Phone: 406-444-0776

DLI/ERD use only

Excel: _____

Policy: _____

NCCI: _____

POC: _____ UI: _____

UEF Letter: _____

Notes: _____

Professional Employer Organization Information:

Name of Company: _____

Address of Company: _____

City, State & Zip: _____

Contact Person: _____ Telephone# _____

Federal Tax ID # _____

=====

Client Company Information:

Name of Client Company: _____

Address of Client Company: _____

City, State & Zip: _____

Contact Person: _____ Telephone # _____

Federal Tax ID #: _____

Month, Day and Year leasing arrangement **initiated in Montana**: _____

Month, Day and Year leasing arrangement **terminated with PEO**: _____

If different than term date, please provide the **last date of payroll in Montana**: _____

If Montana business address is not a home residence, please provide the MT address (**upon termination**): _____

Reason for **termination** (be specific): _____

☐ Client has terminated with PEO

☐ Client is still active with PEO but no MT employee exposure

WC class codes used for this client: _____

WC policy number: _____ Policy effective date: _____

Completed by: _____

Date form completed: _____

ATTESTATION OF FINANCIAL STATEMENT

We, the undersigned, in conformance with section 39-8-202, MCA, do hereby attest to the accuracy and completeness of the financial statements **submitted herein** and **attached hereto** by _____ (applicant) as part of the application process for licensure as a Professional Employer Organization.

attest: _____

Date

Signature and printed name of applicant **president**

attest: _____

Date

Signature and printed name of **chief financial officer**

attest: _____

Date

Signature and printed name of a **controlling person**

DECLARATION OF ACCURACY

I, _____, declare that to the best of my knowledge the applicant is qualified in all respects for the license for which applied in this application; that all of the questions in this application have been answered truthfully; that all supporting documents, submitted with this application are true, correct, complete and valid; and that there have been no material omissions of fact which would have bearing upon the State of Montana's decision to grant the requested license.

I understand and agree that furnishing false information or failing to disclose material information regarding the applicant's background and qualifications is grounds for refusing to issue a license and/or the revocation of a license already issued. I also understand that making false statements under penalty of perjury may subject me to criminal liability.

I declare that: (check one)

_____ I am the named applicant for licensure as a Professional Employer Organization

_____ I am the _____ (title) of _____
and I have been duly authorized to execute this Declaration on behalf of the applicant.

I declare under penalty of perjury of the laws of the State of Montana that the above statements and the statements made in this Application for Professional Employer Organization License are true and correct. I declare that this declaration was executed on

_____, 20____ at

_____ (city), _____ (state).

Printed name, signature and title of a control person

**APPLICANT/CONTROLLING PERSON
INFORMATION SHEET
PROFESSIONAL EMPLOYER ORGANIZATION (PEO)**

A separate form must be completed for each applicant or each controlling person, if applicable.

1. NAME OF (APPLICANT/CONTROLLING PERSON)

(Typed or Printed, Full Legal Name – First, Middle, Last)

2. SOCIAL SECURITY NUMBER _____

3. MAILING ADDRESS _____
(Number & Street or PO Box, City, County, State, Zip)

4. HOME ADDRESS _____
(Number & Street or PO Box, City, County, State, Zip)

5. TELEPHONE NUMBER _____
(Area Code/Number)

6. DATE OF BIRTH _____

7. TITLE OF CONTROLLING PERSON ☐ Owner ☐ Manager ☐ Other

8. LIST BELOW employment history for the last four (4) years, identify management and supervisory positions. (Attach additional sheets if necessary and reference item number.)

EMPLOYER & ADDRESS	DATE FROM/TO	TELEPHONE NUMBER	BRIEF DESCRIPTION OF RESPONSIBILITY
A.			
B.			
C.			
D.			

APPLICANT/CONTROLLING PERSON QUESTIONNAIRE

Note: This questionnaire shall be completed each year by the applicant/controlling person. All attachments shall also be provided each year and controlling person shall sign and date.

If the answer to any of the following questions is "YES" attach a full explanation detailing the circumstances or condition which cause the "YES" answer. Any bankruptcy within the last 10 years must attach Schedules A & B and the court order discharging the bankruptcy.

	YES	NO
1. Does the applicant, controlling person, officer, director, shareholder, or partner now hold or have they ever held an employee leasing company, or authority to practice as an employee leasing company in the State of Montana or any other state?	<input type="checkbox"/>	<input type="checkbox"/>
2. Has the applicant or any officer, controlling person, director, shareholder, member, partner, owner or managing employee:		
a. been convicted of, pled guilty to, or entered a plea of no contest to any criminal violation?	<input type="checkbox"/>	<input type="checkbox"/>
b. ever filed for, or been subjected to an involuntary petition for, or been adjudged bankrupt, or sought protection under the bankruptcy laws?	<input type="checkbox"/>	<input type="checkbox"/>
c. had a judgment entered against them in any court?	<input type="checkbox"/>	<input type="checkbox"/>
d. applied for and been denied a bond?	<input type="checkbox"/>	<input type="checkbox"/>
e. had a bonding company or surety make a financial settlement in their behalf?	<input type="checkbox"/>	<input type="checkbox"/>
f. had a bonding company or surety revoke a bond or surety agreement executed in their behalf?	<input type="checkbox"/>	<input type="checkbox"/>
g. had a license or authority to practice denied, revoked, suspended, placed on probation or been subject to disciplinary action or restriction?	<input type="checkbox"/>	<input type="checkbox"/>

APPLICANT/CONTROLLING PERSON QUESTIONNAIRE (page two)

YES

NO

3. Are there now any outstanding unpaid past due bills; claims for salaries, wages, benefits or services; judgments, assessments or liens resulting from acts or omissions of this applicant, controlling person, officer, director, shareholder, member, partner, owner, or managing employee, for which these persons may be responsible?

☐☐

I, _____, do hereby certify that all of the questions in this applicant/controlling person questionnaire have been answered truthfully; that all supporting documents, submitted with this questionnaire are true, correct, complete and valid; and that there have been no material omissions of fact which would have bearing upon the State's decision to grant the requested license to the Professional Employer Organization applicant.

I understand and agree that furnishing false information or failing to disclose material information regarding the applicant's background and qualifications is grounds for refusing to issue a license and/or the revocation of a license already issued. I also understand that making false statements under penalty of perjury may subject me to criminal liability.

I declare under penalty of perjury of the laws of the State of Montana that the statements made in this Applicant/Controlling Person Questionnaire are true and correct. I declare that this declaration was executed on _____, 20____ at _____ (city), _____ (state).

Printed name and Signature

CONTROLLING PERSON AUTHORIZATION FOR RELEASE OF INFORMATION
PROFESSIONAL EMPLOYER ORGANIZATION (PEO)

(A separate form must be completed for each controlling person)

I, _____, hereby authorize all persons, institutions, organizations, schools, governmental agencies (including criminal justice agencies and tax authorities), employers, references, or any others not specifically included in the preceding characterization, which are set forth directly or by reference in the Applicant/Controlling Person questionnaire, to release to the State of Montana, Department of Labor and Industry, Employment Relations Division ("the Division"), and its employees, agents and attorneys, any files, records or information of any type reasonably required for the Division to properly evaluate my eminence in regard to the application for licensure as a Professional Employer Organization by the State of Montana.

A copy of this authorization may be used with the same effect as the original.

Date	Printed name and Signature
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Date of Birth _____

Social Security Number: _____

**STATE OF MONTANA, DEPARTMENT OF LABOR AND INDUSTRY
PROFESSIONAL EMPLOYER ORGANIZATION (PEO)**

CHARACTER REFERENCE AFFIDAVIT

STATE OF _____)

: SS

COUNTY OF _____)

_____, being first duly sworn says:

1. That I have known _____ (printed name of applicant/controlling person) for at least three years and know that he/she is of good moral character and has a reputation for honesty and fair dealing.
2. That I am not related by blood or marriage to the person named in paragraph 1.
3. That I am not a controlling person in the Professional Employer Organization for which this character reference relates.

By: _____
(signature of affiant)

SUBSCRIBED AND SWORN to before me this _____ day of _____, 20_____.

(Seal)

Notary Public for the
State of _____
Residing at _____
My commission expires _____

PEO OWNERSHIP INFORMATION

(reference 39-8-202 (4)(a-d) MCA)

Provide information for all owners, partners, corporate officers, shareholders with greater than 5% interest, and limited liability company individuals who have a 5% or greater interest in the company.

[illegible]

BUSINESS OPERATIONAL HISTORY

(reference 39-8-202 (5)(a) MCA)

List by jurisdiction of each name under which the applicant has operated in the preceding 5 years, including any alternative names, names of predecessors, and names of related business entities with common majority ownership.

[illegible]

APPLICANT AUTHORIZATION FOR RELEASE OF INFORMATION

I hereby authorize all persons, institutions, organizations, schools, governmental agencies (including criminal justice agencies and tax authorities), employers, references, or any others not specifically included in the preceding characterization, which are set forth directly or by reference in this license application, to release to the State of Montana, Department of Labor and Industry, Employment Relations Division ("the Division"), and its employees, agents and attorneys, any files, records or information of any type reasonably required for the Division to properly evaluate the applicant's qualifications for licensure as a Professional Employer Organization by the State of Montana.

_____ **By:** _____

Date	Printed Name, Signature and Title
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Name of Applicant: _____

Applicant's FEIN or Social Security Number: _____

PROFESSIONAL EMPLOYER ORGANIZATION GROUP GUARANTEE FORM

Pursuant to the provisions of the Montana Professional Employer Organizations and Groups Licensing Act, the undersigned, hereby: 1) unconditionally guarantee and promise to pay any and all financial obligations of each entity of the group with respect to wages, payroll-related taxes, insurance premiums, and employee benefits; 2) authorize any entity of the group to act on behalf of the group; and 3) guarantee that each PEO within the group is majority-owned by the same person.

Guaranteeing Entity to include FEIN:

Signature of certifying Controlling Person

Printed Name of certifying Controlling Person

State of _____

County of _____

Before me, personally appeared _____ (controlling person of _____), whose identity is known to me by _____ (type of identification) and who, under oath, acknowledge their signature appears above. Sworn and subscribed before me this day of _____, 20____.

(Seal)

Notary Public

My Commission Expires:

- (1) First entity name and FEIN:_____
- (2) Second entity name and FEIN:_____
- (3) Third entity name and FEIN:_____
- (4) Fourth entity name and FEIN:_____
- (5) Fifth entity name and FEIN:_____